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**JUN - 1 1998**

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

June 1, 1998

The Honorable Magalie Roman Salas  
Secretary  
Federal Communications Commission  
1919 M Street NW  
Washington, DC 20054

Re: Schools and Libraries Corporation  
Third Quarter 1998 Collections for Schools and Libraries  
Universal Service Fund, CC Docket Nos. 96-45, 97-21

Dear Secretary Salas:

In response to the inquiry of the Common Carrier Bureau requesting proposals to improve the operational efficiency of the Universal Service support mechanism for Schools and Libraries, the Schools and Libraries Corporation (SLC) offers the following. These suggestions were discussed in telephone conversations on May 28 and May 29 among Ira Fishman and Debra Kriete with Ruth Milkman, Lisa Gelb, Irene Flannery and John Nakahata, this letter summarizes those conversations and is submitted as an ex parte notice.

The coordination of the administration of the support mechanism with the applicants' planning cycles will allow for improved efficiencies. This coordination could occur by revising the funding year to begin July 1, rather than the present schedule which runs from January 1 through December 31. This alignment will enable the beneficiaries of the support mechanism to plan the purchase, installation and maintenance of the supported services in a more efficient and organized manner that is consistent with their budget and operations schedule. It also facilitates the coordination of the SLC's review of applications for 1998 and its administration of the application cycle for 1999.

To transition to a funding year beginning July 1, the present operating year of January 1, 1998 through December 31, 1998 should be extended to June 30, 1999. The second funding year should begin July 1, 1999. Applications for the second year should

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(January 1, 1999 through June 30, 1999), two procedures could govern. First, internal connections would be funded at the annual level requested for the 1998 program year, but the funds could be expended over the additional six month period of January 1 through June 30, 1999 (as well as during the 1998 calendar year). Second, telecommunications services and Internet access would be funded at the requested levels for the 1998 calendar year, and would be funded additionally at the monthly approved amounts for the transition period, January 1 through June 30, 1999. The Commission may wish to waive the exemption from the competitive bidding requirement for voluntary extension of existing contracts at 47 C.F.R. Section 54.511(d) to allow for voluntary extensions through June 30, 1999.

Acknowledgment of this letter is requested, and pursuant thereto, an additional copy is enclosed for this purpose.

Respectfully,


*Debra M. Kriete*

Debra M. Kriete  
General Counsel

cc: Ruth Milkman, Esq.,  
Irene Flannery, Esq.  
John Nakahata, Esq.

## CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing filing was served this 1st day of June 1998, by mailing copies thereof by United States Mail, first class postage paid or by hand delivery, to the persons listed below.

By:   
Matthew E. Harcourt  
Schools and Libraries Corporation

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